

the presence and supervision of the commission auditor. This test shall be completed no later than 3 days before the beginning of the race meeting. Notice of this test shall be made to the director no later than 7 days prior to the opening of the race meeting. This test shall include those procedures that are set forth in sub. (3).

(3) **PRE-PROGRAM TESTS.** All totalizator equipment in use for a program shall, before the start of each program, be tested by the totalizator personnel and all necessary repairs and adjustments made to ensure proper operation of ticket issuing machines and totalizator computers and recording of wagers in accordance with these rules. These tests shall be:

(a) Conducted at a time that does not conflict with the time established by the association for opening the pari-mutuel windows for sales; and

(b) Conducted with data supplied by the commission auditor when so requested by the director.

(4) **TOTALIZATOR PROGRAMS.** (a) All copies of programs at a pari-mutuel facility shall be on magnetic tape or disk file and be stored in a secured cabinet under the control of a totalizator licensee.

(b) After the program has been loaded into the computer the magnetic tape or disk file shall be re-secured.

(5) **DUPLICATE COPY OF TOTALIZATOR PROGRAMS.** All totalizator system licensees shall maintain a duplicate copy of all totalizator programs to be used during the race meeting. The duplicate copy shall be in absolute program files and be placed on magnetic tape for storage. These tapes shall be placed under seal by the totalizator system licensee for the commission and retained for future comparison with totalizator programs actually in use during the meet. These duplicate tapes shall be kept under the dual control of the totalizator system licensee and the commission auditor and shall be retained on the premises of the association.

(6) **NOTICE OF SOFTWARE MODIFICATIONS.** All totalizator system licensees shall inform the director of planned totalizator program modifications by sending written notice to the commission at least one week in advance of performing a software modification. In situations where programs are modified in response to operational problems requiring immediate attention, the totalizator system licensee shall inform the director of the change immediately after the modification has been made. A narrative log explaining all software modifications shall be kept by the totalizator system licensee in the tote room.

(7) **TESTING OF SOFTWARE MODIFICATIONS.** Totalizator system licensees shall establish written procedures to test software modifications, and documentation of testing procedures and results shall be made available to the director upon request. Totalizator operators shall use either a hardware or software transaction generator to provide entry data for use in simulation of a complete program including production of all reports. The director shall review such test procedures and results prior to installation of a new version of a totalizator system within the state.

(8) **CONTROLLING SYSTEM UTILITIES.** All totalizator system licensees shall adhere to formal written procedures for controlling system utilities and furnish the director

with a copy of these procedures. These procedures shall include but not be limited to such matters as control over duplication of program tapes, control over use of any system utility programs or any application programs used to modify master files, and control over utility programs or other procedures used to change system passwords.

(9) **ACCESS TO TOTE ROOM.** Ten days prior to the opening of each race meeting the totalizator system licensee shall provide the director with a list of its representatives authorized to have access to the tote room, paper stock, or equipment for each meeting.

(10) **CONTROL LOG.** Each totalizator system licensee shall maintain, in conjunction with the association, a control log of keys or other security entry devices used to access the totalizator room and a log indicating to whom each is assigned. When the employment of a person possessing a key or security entry device to the totalizator room is terminated, the key or security entry device shall be collected.

(11) **BACK-UP PROCEDURES.** Totalizator operators shall include back-up procedures to reconstruct all computer programs and data files. The commission reserves the right to review and approve back-up procedures based upon and including, but not limited to, the ability to recover lost data.

(12) **SHUT-DOWN PROCEDURES.** Each totalizator system licensee shall as part of its normal daily shut-down procedures:

(a) Remove all console logs from the hardware with each entry on the console log preceded by the date and time of the entry;

(b) Clear all C.P.U. memory or magnetic core program date; and

(c) Secure the tote room to prohibit unauthorized entry.

History: Cr. Register, March, 1990, No. 411, eff. 4-1-90; am. (5), Register, July, 1990, No. 415, eff. 8-1-90.

WGC 10.09 Totalizator system licensees. (1) CRITERIA FOR ELIGIBILITY. An application for a totalizator system license shall:

(a) Have a contract to provide a totalizator system with an association; and

(b) Provide the commission evidence that the applicant has the experience and expertise to operate a totalizator system at the race meeting at which the applicant proposes to participate in Wisconsin racing. Such evidence shall include but not be limited to a demonstration that the applicant can comply with ch. WGC 10.

(2) **LICENSE APPLICATION.** (a) An initial application and subsequent renewal applications for a license to operate as a totalizator system licensee in the state of Wisconsin shall be made on forms furnished by the commission.

(b) One original and 10 copies of the application shall be filed at the commission's central office.

(c) Each license issued pursuant to s. WGC 10.09 expires on December 31st of the year it was issued.

(d) An initial background investigation fee of \$5,000 is payable to the commission at the time of filing the applica-

tion. Each subsequent application for a license shall not require a background investigation fee unless substantial change of ownership consisting of a transfer or sale of five percent or more of an ownership interest of the applicant has occurred.

(e) An annual license fee is payable to the commission as follows:

1. In the first calendar year that a racetrack is operating, the applicant shall pay a license fee in the amount of \$5,000 for each race track located in Wisconsin at which the licensee intends to operate a totalizator system.

2. In the case of renewals of license, the applicant shall file a written acceptance with the commission and make payment of the required license fee. The amount of the license fee is based upon the number of performances scheduled to be held at each racetrack at which the applicant has been approved to operate a totalizator system. The fee of \$15.00 will be applied to each performance that the racetrack is granted.

3. License fees required by this paragraph are payable within 10 days after licensure.

(f) If circumstances change or events occur after the filing of an application the applicant shall submit an amendment to the commission. Examples of such changes include, but are not limited to, a change of corporate officers, and the signing of additional contracts with associations.

Note: These forms may be obtained at the commission's central office at 150 E. Gilman, Room 1000, Madison, Wisconsin 53703.

(3) TIME OF FILING AN APPLICATION. (a) Applications for a totalizator system license shall be filed 60 days prior to the opening of the racing meet at which the applicant seeks to participate.

(b) The commission may, in its discretion upon good cause shown, receive applications for a totalizator system license to operate fewer than 60 days prior to the opening of a meet. Good cause means a change in ownership of totalizator licensee; upgrading a totalizator; changes in the financial position of a totalizator system licensee, such as but not limited to the dissolution or bankruptcy of the totalizator system licensee; or the impossibility of a licensee to furnish equipment for an upcoming race meet.

(4) GROUNDS FOR DENIAL OF AN APPLICATION. All licensure standards contained in subch. II of ch. WGC 13 shall apply to totalizator licenses.

(5) CHANGE OF OFFICERS OR DIRECTORS. Within 15 days after election, appointment or resignation of an officer or director of a licensed totalizator system, the totalizator system licensee shall notify the commission in writing of the identity of each new or resigned officer or director and shall file an amended application for each person.

(6) LICENSE DEEMED PERSONAL. Licenses to operate totalizator systems are deemed personal in nature and non-transferable and shall terminate upon a substantial change of ownership of the totalizator company unless the commission grants approval of the substantial change of ownership. The sale or transfer of 5% or more of any ownership interest of a totalizator company shall be considered a substantial change of ownership. In acting upon a request for approval of a substantial change in ownership, the commission shall consider the same factors as it considers in the initial grant of a totalizator system license to an applicant for a totalizator system license.

History: Cr. Register, March, 1990, No. 411, eff. 4-1-90; am. (2) (a), (d) to (f), Register, July, 1990, No. 416, eff. 8-1-90; correction in (1) (b), (2) (c) and (4) made under s. 13.93 (2m) (b) 7., Stats., Register, March, 1995, No. 471; emerg. am. (2) (e) 2., eff. 11-1-94; am. (2) (e) 2., Register, May, 1995, No. 478, eff. 6-1-95.